

Hiring & Firing: When to Let People Go

Keeping "C" players on your team isn't fair to the top performers. How to part ways amicably.

by Geoff Smart

Web exclusive

Having an "A team" is not just about hiring stars. It is also about doing the toughest thing in business: removing people. "It is not disloyal to remove somebody who is not performing in their job," I once heard Jamie Dimon, CEO of [Bank One](#), tell a gathering at the Executives Club of Chicago. "It is disloyal to everybody else in the company to not do so."

In an ideal world, you would not have to fire anybody. But if you are a business owner, investor or manager, you will inevitably find that there are people working for you who should not be in their jobs. We call these underperformers "C players." When someone is not meeting your standards, you owe it to him — as well as your customers, employees, shareholders, and yourself — to correct the situation. One of the most common regrets that our consultancy hears from managers as they reflect on their careers is, "I just tried to do the best with the cards I was dealt" or that they covered for their C players.

Wrong approach. Star leaders do not leave C players in place. They evaluate their team, remove nonperformers, and hire A players. I remember an executive who was working 100-hour weeks to cover for two C players on his team. Meanwhile, they were working 30-hour weeks.

The best alternative to firing a C player is to communicate clear goals and expectations, coach him on how to succeed, and measure his performance. Have the tough talk early. Tell him, "You are not meeting the minimum expectations for this role. Let's see what we can do to improve your results over the next two months. I am here to help you. But if you are not making it at the end of two months, you will have to go." Then have progress checks every two weeks, orally and in writing. After eight weeks of knowing that they are underperforming, many C players will gracefully leave on their own. Otherwise, you might redeploy a C player into a role in which she will be successful. That could mean narrowing or changing her responsibilities. But make sure she can really be an A player in the new role. If after two months a C player has not left on his own, terminate him. Get your documentation together. Have the final talk. Give him some severance money, and off he goes to find a more appropriate role for his talents. (*Editor's Note: You may want to seek legal advice when considering termination. The [FSB Legal Resource Guide](#) can point you in the right direction.*)

Morale does not go down when you remove a C player. It goes up. In fact, you might be surprised to find the remaining employees actually praising you for removing a

person who may have been disrespectful toward others, disorganized, undependable, damaging to customer satisfaction, or a culprit of some other behavior that undermines the value of your company.

Ninety percent of managers wait too long to fire people. They therefore do not make space to hire great people. I have found that the best one percent of managers makes about five times the hiring/firing decisions of other managers. Err on the side of implementing too many changes rather than too few in your attempt to build an A team.

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